



July 2, 2008

Attention To:

Workforce Development Boards, Executive Directors and Staff; Job Service Staff; Local Elected Officials; and, members of Business, Labor, Community-Based Organizations and other Workforce Partners.

Purpose

This is a 30-day review and comment issuance on the draft State Workforce Investment Act Title I Waiver Plan prior to submittal to the U.S. Department of Labor.

Background

The Workforce Investment Act Title I (WIA) established federal requirements related to the State's workforce system, local direct services and the one-stop delivery system. WIA permits the U.S. Department of Labor (DOL) to waive certain requirements based on the determination that they would remove impediments and improve the State's or local area's ability to achieve its workforce goals. The waiver authority also provides an important opportunity for state and localities to continue to organize services for an improved infrastructure that enhances the training and employment opportunities for adults, dislocated workers and youth.

Since the implementation of WIA in 1999, the Department of Workforce Development (DWD) has considered a number of waivers, and submitted one related to the subsequent eligibility of training providers. That waiver request was approved by DOL, and subsequently extended in July 2007.

The Council on Workforce Investment (CWI) addressed the potential of waivers as part of making recommendations on systemic improvements with the workforce infrastructure and in areas of direct service delivery. They reviewed the list of DOL approved waivers and recommended DWD submit waivers to assist in accomplishing the Governor's and Council's goals for the workforce system. The Workforce Development Boards (WDB) have also discussed possible waivers with DWD.

The attached draft State WIA Waiver Plan includes regulatory waiver requests on the:

1. Implementation of the common measures
2. Transfer of funds between adult and dislocated worker formula allocation funds
3. Use of formula allocation funds for incumbent worker training
4. Youth program competitive procurement requirement
5. Redistribution of unspent formula allocation funds

Regulatory Citations

WIA [189(i)(4) PL 105-220] provides continuing authority for DOL to grant waivers to states and local areas in implementing reforms to the workforce development system in exchange for state and local accountability for results, including improved programmatic outcomes. Detailed guidance on waivers are included in 20 CFR § 661.400-661.420.

Public Review and Comment

DOL requires that for each regulatory waiver request there must be a description of the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders, and the actual comments along with how the State substantively responded to these comments. Upon receipt of the State's waiver plan requests, DOL has 90 days for review and notification to the State. If approved, DWD would modify the WIA State Plan, and, where appropriate, negotiate new state and local goals for performance measures, issue new policies and approve modified WIA local plans.

All comments, verbatim, must be submitted with the waiver plan. Comments are due no later than Thursday July 31, 2008. Late comments will not be included in the plan or considered for modifications to this draft plan. Please send your comments to Pamela O'Brien via email pamela.o'brien@dwd.state.wi.us.

If you have questions please call (608) 266-8563.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Denis", written over a horizontal line.

Gary Denis
Bureau Director

Wisconsin Workforce Investment Act (WIA) Waiver Request # 1**1. Waiver title/purpose: *Implement Common Measures***

Wisconsin is requesting a waiver of the WIA Title I core indicators of performance in order to implement the U.S. Department of Labor (USDOL) "Common Measures" as defined in Training and Employment Guidance Letter (TEGL) 17-05, issued February 17, 2006, and TEGL 29-05 issued May 12, 2006, for WIA program performance reporting. The purpose of this waiver is to remove the burdensome complexities inherent in the current WIA program performance reporting, to improve the accountability system, and encourage complimentary cross-program outcomes.

2. Identify the statutory/regulatory requirements that are requested to be waived:

Performance Measures for WIA Title 1 Sec. §136(b)(2) and (c)(1); 20 CFR §666.100(a) and §666.300(a), and any other related provisions that specify the state and local performance measures and customer satisfaction survey reporting required for WIA Title Ib programs.

3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State for local statutory or regulatory barriers:

The Department of Workforce Development (DWD) viewed the move to "common measures" as a positive next step for systemic improvement in the workforce infrastructure. However, a number of issues needed to be addressed before the State could fully adopt and replace the WIA Title I performance measures with DOL's unified performance accountability system.

First, the State's Automated System Support for Employment and Training (ASSET) is an internet-accessible participant reporting and data collection system that all case managers and workforce development boards use to report WIA title 1 and partner services for both performance measures and WIA Standardized Record Data Reporting. Wisconsin infused considerable resources for ASSET improvements and technical assistance to local staff that has resulted in consistent, accurate data. Because of these investments, Wisconsin is fully prepared to implement the common measures.

Second, the Division of Employment and Training (DET) wanted to continue focused technical assistance on service delivery improvements until local and state performance met or exceeded negotiated levels. As summarized in Wisconsin's WIA Annual Report of Program Year (PY) 2006¹, all 17 state performance goals were met and some exceeded the negotiated expectations. The Workforce Development Area's (WDA) performance substantially improved to the extent that only one area failed one performance goal.

At the strategic level, as mentioned in Governor Jim Doyle's cover letter, the Governor issued his next set of priorities in *Grow Wisconsin - The Next Steps: Accelerate - Innovate* ². These focused areas will continue to transform the workforce investment system into regional economic development arenas emphasizing high-demand, high-growth industries and family-sustaining employment. The complexity and narrowly focused WIA Title I performance measures made conversations and cooperation with partners regarding dovetailing cross-program outcomes difficult. The common measures will aid in the alignment of these demand-driven strategies among the various workforce programs and substantially reduce barriers to cooperation among programs.

In addition, the Council on Workforce Investment (CWI) discussed the potential of waivers as part of making systemic improvements with the workforce infrastructure and in areas of service delivery.

As part of the Committee's development of CWI recommendations to the Governor, they reviewed the list of DOL approved waivers. Specific recommendations related to the performance measures that were forwarded to the Governor included "co-program coordination... [to] include "consistent performance measures" and to "Begin with the Governor directing the DWD's' program administrators to negotiate common waiver requests to their federally funded agencies for the purpose of program efficacy within a fluid, coordinated One-Stop system."

Specific to the youth measures, the current credential measurement has been problematic and detrimental to the State's efforts toward systemic short-term, competency-based trainings such as Career Pathways⁴. In addition, the current related performance measures restrict our opportunities to be more responsive to employer's needs for specific technical training skills and general work readiness attributes. This waiver will also assist the implementation of DOL's Youth Vision of concentrating more efforts on out-of-school youth with increased accountability for employment and/or increased secondary/post-secondary education outcomes. In general, the waiver will allow more focus on academic and occupational learning.

There are no State or local regulatory barriers to implement this waiver. If the waiver request is granted, it would not preclude the state or local areas to develop and implement additional measures to assess performance.

4. Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

The expectations for successful outcomes include

- Facilitating an integrated, system-wide transparent accountability system
- Creating an unobtrusive data collection process
- Further aligning cross-program outcomes
- Creating a tangible base from which the CWI can develop continuous improvement measures and a statewide score card on accountability

The simplification will allow us to build on more "real time" snapshots— As noted in the PY 07-09 State Plan Modification⁵ "state staff are now able to review and evaluate participant data and performance in a real time context by examining active participant records to address reporting and service delivery issues before participants exit the program."

Long-term goals:

- Effective comparative analyses across programs for continuous improvement
- Improve one-stop case manager integration through the use of state level performance metrics

5. Describe the individuals impacted by the waiver:

All customers serviced by WIA Title I B and those co-enrolled in partner programs will be positively affected by this waiver. A more concise accountability system that breaks down the silo-program modality will also improve operations and collaboration among One-Stop Operators, Case Managers and other service delivery entities. Given that the common measures are more attuned to a layperson's understanding, business partners will have a renewed opportunity for conversations on metrics, and see improved transparency on the use of public dollars and the return on investment.

6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:

DET will monitor the implementation and impact of the waiver as well as progress of the goals, through regular performance reporting from the local level and discussions with stakeholders. Staff has been preparing to implement common measures since TEGL 17-05 was published. ASSET modifications and enhancements have been made and state policy documents are undergoing review and revision. DET will review applicable policies and procedures and modify them or rescind them accordingly.

DET performance staff will be conducting 11 locally customized performance training sessions thru October 2008 to ensure that all Workforce Development Boards (WDBs) and case managers have a thorough understanding of the common measures and reporting requirements.

Each quarter, staff will review participant and performance data for data entry errors and compliance with the common measures reporting requirements. WDBs and program managers will receive detailed reports that identify reporting problems and solutions. This will give case managers the opportunity to correct and update their records prior to the submission of the PY08 (and beyond) WIA Annual Report.

The process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders will be provided to the Department of Labor upon completion of the Review and Comment process.

¹ Wisconsin's WIA Annual Report of Program Year 2006
http://dwd.wisconsin.gov/dwdwia/PDF/annual_report2006.pdf

² *Grow Wisconsin – The Next Steps* <http://www.wisgov.state.wi.us/docview.asp?docid=12933>

³ Regional metrics system http://dwd.wisconsin.gov/oea/grow_regional_metrics/grow.htm

⁴ Career Pathways within Regional Skills Education Summary
http://risepartnership.org/pdf/guidelines_revised.pdf

⁵ State Plan Modification PY 07-09
http://dwd.wisconsin.gov/dwdwia/PDF/dol_approved_wia_state_plan_0709.pdf

Wisconsin WIA Waiver Requests # 2**1. Waiver title/purpose: *Transfer of Funds between Adult and Dislocated Worker***

This waiver request increases the current 30% cap to an unlimited ability for WDBs to transfer funds between the WIA Adult and Dislocated Worker WIA Title Ib formula allocation funds. The waiver would give local boards the ability to respond to on-going changes and significantly increase the WDBs' flexibility over program delivery to best address the specific geographic, demographic and industry needs that change from community to community.

2. Identify the statutory/regulatory requirements that are requested to be waived:

WIA §133(b)(4) and 20CFR §667.140 allows local boards with the approval of the Governor to transfer up to 20 percent of a program year allocation for adult employment and training activities as well as the dislocated worker activities between the two funding streams. The percentage was increased to 30 percent through a Congressional appropriation.

3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:

This waiver will remove a current federal impediment to implement the Governor's *Grow Wisconsin - The Next Steps: Accelerate - Innovate* Reform Regulations that includes the outcome of eliminating barriers in order to maximize program effectiveness. The funding flexibility will avail WDBs, those with the most knowledge and expertise, to optimally use the funds available for improved service delivery. Dovetailing the Governor's *Grow* efforts, the CWI recommended to "streamline the funding process" and, "increase participation for job seekers and employers in a sustainable, comprehensive, training and employment system with streamlined administrative roles at the state and local levels."

WDBs have exercised their option under the law to transfer funds on a limited basis due to the current constraints. Given that Wisconsin has a few metropolitan pockets with a relatively high number of manufacturing industries undergoing major re-engineering and product development, and, conversely, large rural areas, WDB expenditures between the programs vary. The waiver will support better responsiveness to changes within each area. There are no State or local regulatory barriers to implement this waiver.

4. Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

The general waiver goal is to eliminate a barrier in order to maximize program effectiveness. Additional goals that will be achieved include:

- Enhancing the flexibility of the WDBs to respond to workforce and economic conditions within their local areas to meet customer needs as well as improving targeted assistance efforts;
- Increasing collaboration between industry needs and worker training will improve with the expanded ability of WDBs to plan and respond accordingly; and,
- Performance outcomes will be improved through better targeting of funding.

5. Describe the individuals impacted by the waiver:

All customers serviced by WIA Title I B and those co-enrolled in partner programs will be positively affected by this waiver through increased responsiveness. WDBs will benefit with additional fiscal flexibility and local control. Also, more efficient use of resources where funds are most needed will likely result in more customers served.

6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:

DWD/DET will be providing guidance to the WDBs in implementing this waiver in addition to monitoring the outcomes. DET will review applicable policies and procedures, modify or rescind them and/or develop new guidance accordingly. Each quarter, DET staff will review participant and performance data via ASSET, and generate special reports when deemed necessary. Monthly expenditure reports will also be a monitoring tool.

The process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders will be provided to the Department of Labor upon completion of the Review and Comment process.

Wisconsin WIA Waiver Request # 3**1. Waiver title/purpose: *Use of Formula Funds for Incumbent Worker Training***

Wisconsin is requesting the use of up to 10% of the local youth, adult and dislocated worker formula funds to provide incumbent worker training activities as allowable in the same manner as the statewide activity funds. The purpose is to expand the flexibility of the WDBs to address the skill upgrade needs of job seekers to meet the requisite skills for current employers and anticipated emerging industries.

2. Identify the statutory/regulatory requirements that are requested to be waived:

Allow the WDBs to use funds allocated to them under WIA Sections §127, §128, § 129, §132 and §133 in the same manner and fashion as statewide activity funds are now used under WIA Section §134(a)(3)(iv)(I), and 20 CFR §665.210(d)(1) "establishing and implementing innovative incumbent worker training programs" as well as exclusion of participants served under this waiver from the performance measures reporting WIA Section §136, TEGL 29-05 and all other related sections.

3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:

Larger scale incumbent worker training and certain other activities, such as WIA investments in Manufacturing Skills Standards Certification, have been limited due to the current law. This waiver will allow DWD to help ensure that Wisconsin's workforce system is demand-driven and that WDBs are given maximum flexibility in tailoring service delivery and making strategic investments in workforce development activities to meet the needs of state and local economies and labor markets. Allowing WDBs the authority to use a limited portion (up to 10%) of their allocated funds for incumbent worker training programs permits them to develop a fuller continuum of training services that address the needs of the existing employed/underemployed workforce. Expanded local service delivery options could include establishing an employer loan program to assist in skills upgrading, increasing the number of individuals trained for non-traditional employment, targeting areas in immediate response to economic conditions and developing exemplary program activities.

The Governor's *Grow Wisconsin - The Next Steps* includes priorities for "worker training," "advancing industry-led training initiatives" and "emerging industry skills partnerships," all of which support innovative incumbent worker training activities. The Governor emphasized that "By strengthening partnerships among schools, technical colleges, workforce development boards, labor unions, businesses and the state, we can deliver the training our workers need to improve their skills, knowledge and productivity and at the same time provide business with the qualified workers they need." Furthermore, this waiver supports the CWI's recommendation to "improve the participation of private sector employers for training, job placement and retention..."

The Center on Wisconsin Strategy published *Skilled Workers, Quality Jobs: Meeting the Needs of Wisconsin's Workers and Businesses*⁶ that provided data in a number of key workforce areas including the skill and occupational shortages for key Wisconsin industries. Numerous studies were also cited relevant to this waiver request as part of building the worker pipeline.

WDBs that choose to conduct these activities will continue to work under the current 10% limit on local administration. There are no State or local regulatory barriers to implement this waiver.

4. Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

A shift in service delivery strategies with an additional emphasis on targeted and innovative incumbent worker training to build the skills and employment options for workers will focus on the following goals:

- Increased business sustainability by reducing the risk of laying off employees or business closure because workers have not kept current with new skills and technologies;
- Increased market penetration of WDB's local employer base and access to jobs that are vacated by incumbent workers advancing due to their increased skill levels;
- Increased participation in career pathways and life-long learning models;
- Meet industry needs by addressing current labor shortages; and,
- Increased shift to on-the-job and customized training, and other more employer-directed short-term training programs that will ensure appropriate skill-set attainment to match the employer's job needs

5. Describe the individuals impacted by the waiver:

WIA participants involved in these incumbent worker training activities. Assistance will be provided to local employers to upgrade the skills of the existing workers, enabling them to remain competitive. All customers of the workforce system will benefit from increased flexibility in service delivery.

6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:

DWD/DET will be providing guidance to the WDBs in implementing this waiver in addition to monitoring the outcomes through ASSET participant data. DET will review applicable policies and procedures, modify or rescind them and/or develop new guidance accordingly. Local Program Liaisons will provide on-going oversight and on-site monitoring with the WDBs that choose to participate in this waiver. Monthly expenditure reports will also be a monitoring tool.

The process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders will be provided to the Department of Labor upon completion of the Review and Comment process.

⁶ *Skilled Workers, Quality Jobs: Meeting the Needs of Wisconsin's Workers and Businesses*
http://www.cows.org/pdf/rp-skilledworkersquality_jobs.pdf

Wisconsin WIA Waiver Request # 4**1. Waiver title/purpose: Youth Program Procurement Requirements**

Wisconsin is requesting to have waived the requirement of awarding grants or contracts to eligible providers of youth activities on a competitive basis. This waiver request would simplify procurement requirements for youth services where there are few providers to compete, as is the case in many rural Wisconsin communities.

2. Identify the statutory/regulatory requirements that are requested to be waived

WIA Section §123 from funds allocated under Section §128 (b).

3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:

There have been three notable problems associated with the existing competitive model:

- Over the years there has been progressively less competition and an increasingly limited pool of willing sub-recipients;
- Sub-recipients provide some of the required ten elements well, but not all; and,
- The cost to provide services in this manner is administratively burdensome and expensive.

The existing model has resulted in a delivery system that serves a very low number of youth, one that relies on a network of service providers who are not equipped to deliver all ten youth program elements in a comprehensive and efficient manner. Secondly, given that two-thirds of Wisconsin is comprised of rural areas, there are an insufficient number of eligible providers.

It is the intent of this waiver request that when these services can be provided by existing staff and/or through existing or prospective partner arrangements, then the option should exist for the WDBs to use these services. If services cannot be provided by existing program staff or partner agencies, there would be a competitive procurement in compliance with Section 123 of the regulations so that all ten program elements would always be available to eligible youth.

This waiver will contribute to the Governor's effort to reform Wisconsin's workforce system by allowing better service delivery for youth. The waiver would also allow WDBs to provide some service to youth through the Virtual Job Center. There are no State or local regulatory barriers to implement this waiver.

4. Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

This waiver will accomplish the following goals:

- Establish an easy-to-navigate, coherent case management system for youth that requires minimal movement among service providers;
- Create partnerships to serve youth similar to the partnerships that currently exist by memoranda of understanding to serve Adults in the One-Stop Centers;
- Improve performance levels and monitoring service delivery;

- Create points of collaboration for all youth service providers (public and non-public) affording seamless services to youth; and,
- Increase access to youth services under WIA by better utilizing Youth Centers in the existing One-Stop Career Centers, and creating appropriate satellite centers and website.

This waiver creates an opportunity for WDBs to use current program staff and partner agreements to provide required services and seek competitive procurement of outside services when needed. This is critical and necessary given the current state of resources and limited number of providers in some parts of State, and results in the maximum investment of available resources to directly serve youth.

5. Describe the individuals impacted by the waiver:

The waiver will directly impact WIA eligible youth.

6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:

DWD/DET will be providing guidance to the WDBs in implementing this waiver. DET will review applicable policies and procedures, modify or rescind them and/or develop new guidance accordingly. Local Program Liaisons will provide on-going oversight and on-site monitoring of the WDBs that choose to participate in this waiver. Monthly expenditure reports will also be a monitoring tool.

The process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders will be provided to the Department of Labor upon completion of the Review and Comment process.

Wisconsin WIA Waiver Request # 5**1. Waiver title/purpose: *Use of Unspent Formula Allocation Funds***

Wisconsin is requesting a waiver relating to the recapturing of unspent formula allocation youth, adult and/or dislocated worker funds and redistributing those funds. This waiver would provide flexibility in disbursing WDBs' WIA Title I unspent carry-over allocation formula funds to other WDBs, or to provide state set-aside discretionary activities.

2. Identify the statutory/regulatory requirements that are requested to be waived:

WIA Section §133(c) and 20 CFR Sections §667.107(b) and §667.160.

3. Describe the actions that the State or local area, as appropriate, have undertaken to remove State or local statutory or regulatory barriers:

The waiver would encourage WDBs to spend their allocations more quickly. While historically Wisconsin has consistently ranked among the top states for expending WIA funds within the allotted three-year funding cycle, this waiver could spur local areas that do not readily disburse funds for participant and employer needs. The funds could be redirected to WDBs that need additional resources or for statewide activities that help promote the Governor's employment and training priorities in the Governor's *Grow Wisconsin* initiatives. Additionally, funding could be directed to reward areas who have high obligations to training. There are no State or local regulatory barriers to implement this waiver.

4. Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

The primary goals that will be accomplished by this waiver are:

- Resources allocated to meet high need around the state when necessary; and
- Geographically balance funds distribution based on short-term and long-term goals rather than by a prescribed formula.

5. Describe the individuals impacted by the waiver:

Unspent funds could be redirected to high need areas for the benefit of WIA participants and/or prospective participants.

6. Describe the process used to monitor the progress in implementing such a waiver, the process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders:

DWD/DET will be providing guidance to the WDBs in implementing this waiver including factors that will be considered for fund redistribution. DET will review applicable policies and procedures, modify or rescind them and/or develop new guidance accordingly. Local Program Liaisons will provide on-going oversight and on-site monitoring with the WDBs. Monthly expenditure reports will be a monitoring tool.

The process used to provide notice to any Local Board affected by the waiver, Local Board's opportunity to comment on the request, and meaningful public comment by business, organized labor, public officials, community-based organizations and other stakeholders will be provided to the Department of Labor upon completion of the Review and Comment process.
